

HUMAN SERVICES BOARD

INTRODUCTION

The petitioner filed a timely appeal of the April 28, 2009 Notice of Decision regarding his Medicaid eligibility. A hearing was held on June 11, 2009 and the record remained open until July 3, 2009 for the petitioner to update his materials and the Department to recalculate the amount of petitioner's spend-down. The decision is based on the testimony of the parties and the documentary materials submitted by the parties.

1. The petitioner is a disabled individual whose sole source of income is Social Security Disability benefits in

the amount of \$1,177 per month.¹ The petitioner is a single person household. The petitioner receives health insurance through Medicare Part B. He is assessed a monthly charge of \$96.40 for Medicare Part B.

2. The petitioner is recertified for Medicaid every six months. On or about April 17, 2009, the Department received petitioner's recertification application for Medicaid and Food Stamps.

3. The Department sent petitioner a Notice of Decision on April 28, 2009 notifying petitioner that he was over-income for Medicaid but that he could qualify for Medicaid provided he met a spend-down of \$996.² The spend-down period started on May 1, 2009. The Department applied a \$20 unearned income disregard to petitioner's gross income leading to countable income of \$1,157 per month; this income was in excess of the maximum income guidelines or PIL of \$991 for a one-person household.

¹ Petitioner's Social Security Disability benefits increased from \$1,113 per month to \$1,177 per month. The review took into account petitioner's increased monthly income.

² The Notice indicated that action had not been taken on petitioner's Food Stamps. Based on the materials supplied by the Department on July 2, 2009, the Department has issued a Notice of Decision regarding Food Stamps effective August 1, 2009. This decision does not deal with Food Stamps. If petitioner disagrees with the Food Stamp decision, he will need to ask for a fair hearing on this issue.

The Department calculated the spend-down by subtracting the PIL from petitioner's countable income equaling a \$166 monthly excess. The spend-down for the six month period was \$996.

4. The petitioner disagrees with the calculation of the spend-down. In addition to his Medicare Part B premium, petitioner has other costs including over-the-counter medications not covered by health insurance, co-payments for prescribed medications, and a charge before his Medicare Part D (prescription) benefits kick in.

5. At hearing, the Department was asked to recalculate the amount of petitioner's spend-down and factor in payment of petitioner's Medicare Part B premium and any other allowable deductions.

6. W.P., an Economic Services supervisor, sent petitioner a letter dated June 26, 2009 that set out the following spend-down information. The letter set out two alternative scenarios depending on whether petitioner wanted the Department to pay his Medicare Part B premium or not.

a.	countable income	\$1,157.00	
	less PIL	991.00	
	less otc expenses	43.77	
	excess income	122.23	
	multiply by six months	733.38	spend down

b. (includes Medicare Part B payment)

excess income	122.23	
minor Part B premium	96.40	
excess income	<u>25.83</u>	
multiply by 6	154.98	spend down

7. The petitioner testified that he is paying his Medicare Part B premium.

ORDER

The Department's decision is affirmed as modified by the calculations referenced in the June 26, 2009 letter from the Department.

REASONS

To qualify for Medicaid as a disabled individual, a person must have income under the maximum countable income or PIL for a household of his size after all applicable deductions are taken. M243. If an individual has countable income greater than the PIL, the individual can still qualify for Medicaid after meeting a spend down. M243, M412, M420.1.

The Department correctly determined that the petitioner was entitled to a \$20 unearned income disregard. After applying this disregard, petitioner had income greater than \$991 per month or the PIL for a household of one. P-2420B.

The Department took the next step to determine the amount of money petitioner needed to spend down before he

could qualify for Medicaid. They correctly determined that the spend down would start May 1, 2009 meaning that any expenses that petitioner incurred after that date can be counted towards his spend down.³ However, the Department's initial calculations did not take into account certain expenses. The Department can take into account certain predictable recurring expenses when determining an individual's spend down. M420-423. These expenses include health insurance premiums such as Medicare Part B and over-the-counter medications. M420.31. When the Department recalculated petitioner's spend down after the hearing date, they corrected their initial determination.

Once petitioner shows that he has incurred the costs reflected in the corrected spend down, he will be eligible for Medicaid. The petitioner can apply co-payments he makes after May 1, 2009 to his spend down as well as noncovered medical expenses (such as dental care). See M420.2.

The Department correctly determined that petitioner's income exceeded the Medicaid eligibility guidelines. As the Department corrected the petitioner's spend down determinations, the Department's decision is affirmed as

³ There are some exceptions that allow for expenses incurred prior to the spend down start date provided the individual is still liable for those expenses.

modified by their June 26, 2009 calculations. 3 V.S.A. §
3091(d), Fair Hearing Rule No. 1000.4D.

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